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## OFFICE MEMORANDUM

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**DATE:** August 29, 2007

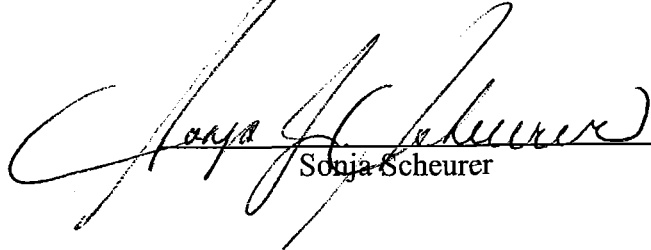
**TO:** Ed Timpf, Administrator  
Financial Operations Division  
Bureau of Finance & Administration

**FROM:** Sonja Scheurer, Administrator  
Office of Operations Administrative Services

**SUBJECT:** Reporting Requirements for FY 2006-2007  
Operating Appropriation Act

In accordance with Act No. 345, Public Acts of 2006, Section 601, we are required to report on the status of efforts to develop performance and road construction warranties. The attached document identifies the department's efforts in FY 2006-2007.

Please feel free to contact me at (517) 335-2258 if you have any questions or need further clarification.

A handwritten signature in cursive script, appearing to read "Sonja Scheurer", is written over a horizontal line. Below the line, the name "Sonja Scheurer" is printed in a small, sans-serif font.

## **PERFORMANCE AND ROAD CONSTRUCTION WARRANTIES**

### **FY 2006 – 2007**

The Michigan Department of Transportation (MDOT) continues to work with the road construction industries and its many other customers to develop performance and road construction warranties for construction projects as required by Public Act 345, Public Acts 2006. The task forces that were formed as a result of the 2004 Strategic Forum on Quality and Warranties continue to make strides in addressing the issues that were identified during the forum. Through this continued effort of partnering, MDOT will be able to improve the overall quality of the warranty program and thus improve the overall condition of Michigan's roads.

MDOT is developing a "Warranty Program Effectiveness Evaluation Plan", which will provide a comprehensive evaluation of warranties including the extent to which the stated program objectives are being met, benefits as related to project performance, cost savings, and cost expenditures. The final report will include recommendations for improvement that are identified during the evaluation.

MDOT has let an additional 140 plus warranty projects in the various categories since its last reporting. MDOT and the contracting industry continue to make use of the Statewide Warranty Administration Database (SWAD) to track and monitor the status of warranty projects.

MDOT will continue to explore new and innovative construction and contracting methods in order to provide the highest quality of an integrated transportation service for economic benefit and improved quality of life for all of our customers.